



July 1, 1999

To our retired members:

Regular COLA

In the 1999 General Assembly, the Legislature approved a Cost of Living Adjustment (COLA) for retired members, survivors of members, or beneficiaries of members, depending upon the date the member retired or became disabled. House Enrolled Act 1986 specifies that those who are members of the Public Employees' Retirement Fund and whose most recent date of retirement or disability is prior to July 2, 1995 will receive the following adjustment to the *pension* portion of their monthly benefit

As authorized by the law, the Public Employees' Retirement Fund will make this adjustment on July 1, 1999, to your monthly benefit check. Your increase will be determined as follows:

If you retired or became disabled:

- After July 2, 1995, there is no increase
- After July 1, 1990 and before July 2, 1995, the increase is 1.25%
- After July 1, 1980 and before July 2, 1990, the increase is 2%
- After July 1, 1970 and before July 2, 1980, the increase is 5%
- After July 1, 1960 and before July 2, 1970, the increase is 7%
- Before July 2, 1960, the increase is 9%

EXAMPLE: If you normally receive a monthly benefit of \$125, and the pension portion of that benefit is \$100, and you retired in 1972, your COLA would be calculated as follows: $\$100 \times .05 = \5.00 . The new monthly benefit is \$130.

Special COLA

In addition, the legislature has authorized an additional special cost of living adjustment for members whose most recent date of retirement or disability is prior to July 2, 1960. This adjustment is based on 50% of the change in the Consumer Price Index (CPI-W) between March 31 of the year you retired and March 31, 1999 and is applied to the pension portion of your monthly benefit after the regular COLA. The CPI-W is the same Consumer Price Index that the Social Security Administration uses in determining changes in Social Security benefits.

Remember, eligibility for each of these COLAs is based on your latest date of retirement or disability, and does not apply to benefits payable in a lump sum. Each COLA is authorized under legislative action and is a one-time adjustment which will not be made again unless PERF is directed to by the General Assembly.